

DOCKET FILE COPY ORIGINAL

Lucia Mar Unified School District

602 ORCHARD ST., ARROYO GRANDE, CA 93420

(805) 474-3000 FAX (805) 473-4397

ARROYOGRANDE

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April 14, 2003

RECEIVED

APR 16 2003

Office of the Secretary
Federal Communications Commission
445 12th Street **SW**
Washington, D.C. 20554
Ref CC Docket Nos: 96-45, 97-21

Federal Communications Commission
Office of Secretary

Re: E-Rate 471 Application Number 253047, Funding Request Number: 623971
E-Rate 471 Application Number 249712, FRNs: 610674, 610728, 610771
E-Rate 471 Application Number 252218, FRNs: 620344, 620463, 620547, 620594

Dear Madam Secretary:

I **am writing** to seek a waiver to the 60-day time limit for appeals of Universal **Service** Administrative Company, Schools & Libraries Division E-Rate decisions. If **this** waiver is **granted**, I **am** also requesting an appeal of the denial by the **SLD** of **our** prior appeal for the Year **Four** applications cited above.

Waiver

We received the notification of appeal denial for our Year Four applications **from SLC** in a letter dated January 22, 2003. **This** denial covered all but basic telecommunications **services**. It took several days for **us** to receive it and then another **three** for me to obtain it **from** the person it was sent to (**we** are changing E-Rate contacts at **this** time). It then took **me** a week to research the appeals process, come to the understanding that 'the **SLD** rules prevented **us** **from** obtaining a favorable verdict, and realize that I should **ask** Senator Feinstein's office for assistance. I **was** unclear **as to whether** I could appeal **to** the FCC on the basis of the rules themselves, an appeal **that** is not allowed to the SLD. I spoke to a **staff member** at Senator Feinstein's office on February 18 and then faxed a letter explaining the issue and my question. On February 28, I received a reply which advised me that a response would probably take four **to six** weeks. Clearly, this would not likely meet the 60-day deadline for appealing (approximately March 23).

On April 8, I received **an email** and voice mail **from Mr. Greg** Lipscomb at the FCC. I left **two** telephone messages for **him** and we connected by telephone on April 10. Mr. Lipscomb advised me that I could indeed appeal the SLD rules but that my 60-day appeal time had expired and I **needed** to ask for a waiver. I was just finishing a **large** project **due** April 11, **and so** have sent **this** letter **as soon as** possible after **we** talked. Given my confusion about how **best** to proceed and the length of time **required** to obtain assistance, I do not know how I could have met the 60-day deadline, though I **am only** 22 days late. I respectfully ask **you** to waive the 60-day requirement and consider the following appeal.

No. of Copies rec'd **075**
List ABOVE

Lucia Mar Unified School District
Page 2

Appeal of SLD Ruling

The Lucia Mar Unified School District is appealing the decision of the **SLD** to deny our **appeal** for E-Rate Year Four funding beyond basic telecommunications services on the grounds that **two** SLD rules are **fundamentally** flawed. Our school district has successfully applied for E-Rate funds in Years 3 and **5**, but was denied all but basic funding for year **4** (2001-2002). In Year **4**, we applied for infrastructure funding, triggering an Item **25** review. We were notified that **our** E-Rate request **was** denied in **January, 2002** for infrastructure and for **several** telecommunications/internet access services beyond basic services. All telecommunications/internet access services that were denied were later approved for Year 5 funding. The letter did not state why funding was denied other than:

"Since you did not respond to our repeated requests for further information, we were unable to determine that you secured access to the resources outlined below."

"Budget: You did not demonstrate that you have the financial resources on hand to pay for the non-discounted charges on your application, as well as the rest of the items that you outlined in your technology budget."

We attempted many times to have this clarified by the **SLD**, as we did not have any specific reason on which we could base an appeal. There had been **staff** turnover and we thought that perhaps some information **was** missing, but our attempts to find this **out** by telephone were not successful and our letter was not answered. In desperation, we **wrote** an appeal to the **SLD** that addressed the **issues** outlined for us: responding to information requests and demonstrating financial resources. Our appeal explained that we had responded to numerous requests from various people and that we had more than sufficient financial resources on hand. (Please see attached appeal.)

We did not hear anything for one **year**, and were finally informed in a letter dated January **22, 2003** that our **appeal** was denied. For the first time, a full explanation was given. When we **had** originally filed for E-Rate, we had applied for infrastructure wiring for **several** schools. At the time of the Item **25** Review, we withdrew the applications for all but one school, the only one that had a chance of being funded. **This** was done to permit new bidding on reconfigured plans for schools that would not be funded, as the E-Rate bids were excessively **high**. We documented our share of funds for **all** E-Rate services at \$150,840 on the Item **25** Review. However, **SLD** says that we needed to document funds of **\$697,120** to demonstrate adequate financial resources for the schools whose Form 471s we had cancelled. *"While program rules allow for the cancellation of the district's Form 471, they do not allow for Item 25 modifications based on this cancellation."*

The need to document funding for all schools, regardless of cancellation status, was explained to **us** in a sentence in one letter during the Item 25 review (though we were not told that this was a program rule). Unfortunately, this was so **long** ago (May, **2001**) that I do not know why we did not respond or if we did and do not have the documentation. Since we did not know that the Item **25** modification was the problem, we did not base our appeal on this issue. We did show substantial resources, but the **SLD** wrote that: "as

Lucia ~~Mar Unified School District~~
Page 3

this information was not made available to the SLD when requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal." In other words, appealing wouldn't have helped to correct our mistake.

We ~~are~~ a small school district with limited resources ~~for~~ learning all the rules of the SLD, but neither of ~~these rules~~ is explained anywhere that we have seen. More important, these rules do not make sense. If ~~rules~~ allow for ~~the~~ cancellation of a project, which they do, we do not believe that any applicant should have to demonstrate financial resources for a cancelled project. And if ~~an~~ applicant makes a mistake according to SLD rules, we ~~believe~~ that ~~the~~ applicant should be allowed to correct the error in the appeal. There is no point in having a ~~charade~~ of an appeal process when in reality no ~~consideration~~ of the circumstances is permitted.

The ~~E-Rate~~ process is labyrinthine, hostile, and incredibly challenging for small school districts. The SLD needs some mechanism for applicants to have a second chance at compliance with these complicated and unexplained ~~rules~~. The fact that our identical telecommunications/internet access requests were permitted the year after the one in question (without ~~the infrastructure~~ to trigger ~~an Item 25~~ Review) demonstrates the absurdity of following rigid rules ~~without~~ a clear, fair appeals process.

We ask that you reconsider both SLD ~~rules~~. Please permit Item **25** modifications based on Form **471** cancellations, and please permit consideration of new information during ~~an~~ **SLD** appeal.

Thank you for your consideration ~~of~~ this appeal. I did not fax the appendix to our ~~original~~ SLD appeal, as it is quite large; please let me know if it would assist my appeal to mail it. If you have any questions, ~~please~~ do not hesitate to contact me. My phone number is (805) **474-3000** x.1094, my ~~cell~~ phone is (805) **674-0776**. and my ~~email~~ is bcarsel@lmusd.org.

Sincerely,



Becca Carsel
Grants Coordinator

cc: Sonia Martinez, ~~Senator~~ Feinstein's office

Lucia Mar Unified School District**Curriculum/Instructional Materials**

602 Orchard Street
Arroyo Grande, CA 93420

Phone: (805) 474-3000, Ext. 1094
FAX (805) 473-4397

FAX Cover Sheet

Date: 4-14-03

Cover plus 16 pages

To: Greg Lipscomb, FCC
202-418-6957

From: Becca Carrel

Message: Mr. Lipscomb,

Thank you for your help with this
appeal. Could you let me know whether I
should send this hard copy w/ full appendix
of the SLD appeal?

Becca



o: LIPSCOMB GREG x4188200
rom: UNKNOWN
Time/Date Received: 4/14/03 18:29
Attributes:
Subject:

This Message contains the following components:
[Fax: 17 pages]

From: Greg Lipscomb
To: internet:bcarsel@lmusd.org
Date: 4/8/03 3:27PM
Subject: Lucia Mar Unified School District E-rate Application and Appeal

Dear Ms. Carcel:

I am at the Federal Communications Commission, and I have your February 18, 2003 letter to Senator Feinstein.

Per my voice mail to you today (4/8/03), I have a couple of questions:

1) Were you able to go ahead and file **some** sort of appeal to the FCC within the 60-day period after January 22, 2003, the date of the letter to you from the Schools and Libraries Division? If **so**, grateful if you could fax your appeal papers (unless they are too voluminous) to me at 202/418-6957.

2) We also have record of an appeal filed by Lucia Mar Unified School District on 5/26/02. The SLD 471 application numbers for that case are 249712 and 252798. Is that case somehow related to the situation about which you wrote to Senator Feinstein, or is that a different matter.

Grateful for any enlightenment. and thanks.

Greg Lipscomb, FCC, 202/418-8200

Greg Lipscomb, FCC/WCB/TAPD; (all 202) Off Ph 418-8200;
Fax 418-6957; Pager 825-7623; Hm 462-6681.

CC: Adrian Wright; Antoinette Stevens; Greg Lipscomb; Suzon Cameron

From: Greg Lipscomb
To: Greg Lipscomb
Date: 4/16/03 11:09AM
Subject: Lucia Mar Unified School District...

Becca....Thanks for your faxed materials, which I am having stamped into the FCC Secretary's office
No need to send separate hard copy.

We will send you a stamped copy for your records.

Your waiver/appeal request will be logged in here, and put on our list of pending appeals. Bit of a backlog here, so will be months, not weeks, but feel free to check with me anytime.

Thanks again, Greg

Greg Lipscomb, FCC/WCB/TAPD; (all 202) Off Ph 418-8200;
Fax 418-6957; Pager 825-7623 Hm 462-6681.

CC: Adrian Wright; Greg Lipscomb

**E-Rate Letter of Appeal
Lucia Mar Unified School District
APPENDIX**

- **Financial Overview – Technology Funding, Year 4**
 - **District 2001-2002 Budget Reports**
 - **SLD Contact List**
 - **Item 25 Review, May 2,2001**
- **Item 25 Additional Information, May 16,2001**



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal • Funding Year 2001-2002

January 22, 2003

Jon Hitchen
Lucia ~~Mar~~ Unified School District
602 Orchard St.
Arroyo Grande, CA 93420

Re; Billed ~~Entity~~ Number: 143955
471 Application Number 252218
Funding Request Number(s): 620344, 620463, 620547, 620594
Your Correspondence Dated: January 31, 2002

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of ~~the~~ Universal Service Administrative Company ("USAC") has ~~made~~ its decision in regard to your appeal of SLD's Year Four **Funding Commitment** Decision for the Application Number indicated above. ~~This~~ letter explains the basis of SLD's ~~decision~~. The date of this letter begins the 60-day time period for appealing this ~~decision~~ to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that ~~for~~ each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 620344, 620463, 620547, 620594
Decision on Appeal: Denied in full
Explanation:

- In your ~~letter~~ of appeal you ~~acknowledge~~ that the district has been ~~denied~~ funding for failing to provide ~~the~~ requested budget information and state that you have responded to all SLD requests. ~~You~~ have stated that ~~you~~ have had extensive contact with **SLD staff** and have responded to all requests for information. ~~You~~ further state that you have provided ~~the~~ requested budget information in your Item 25 response and follow up documentation. ~~You~~ have also had extensive contact with **7 SLD staff members**. ~~The~~ letter of appeal addresses ~~your~~ ability to pay the non-discounted charges. Financial resources ~~are~~ described for the following categories: Hardware, **Professional** Development, Software, Retrofitting, and Maintenance. ~~You~~ have included extensive support documentation with your appeal, which includes a financial ~~overview~~, **2001-2002** budget report, contact list, Item 25 review, and additional Item 25 information dated 5/16/2001.

- Upon review of the appeal it was determined that **you** have failed to verify that the district has secured **access** to funding to cover the nondiscounted portion of your funding requests. You had originally filed **5** Form **471** applications in Funding Year **2001**. The non-discounted **portion** of these applications was **\$697,120.79**. During Item **25** review you requested the cancellation of application # **253311** and modified your Item **25** worksheet to **reflect** your share of nondiscounted funding as **\$150,840.19**. You were subsequently contacted by fax on **5/03/2001** and **asked** to provide additional documentation. Included in **this** request was notification that Item **25** review **is** based on the original funding requests, and **therefore**, the district must verify **that** they had secured finding in the amount of **\$697,120.79**. Your faxed **response** of **5/16/2001** (included with appeal) failed to address the budget issues. The district **was** subsequently denied funding for all but basic telecommunications services, which were funded. During Item **25** review **the** SLD identified line items totaling **\$309,678.00**, which would be applied to **your** non-discounted share of E-Rate funding. The district's non-discounted share for the originally requested funding is **\$697,120.79**. You could only verify that the district had secured funding for its funding requests with the cancellation of application # **253311**. The correspondence requesting **this** cancellation stated that anticipated State funding was unavailable and that funding for E-Rate **projects** would have to be reallocated to other **projects**. This validates the **SLDs** position that the district had failed to secure access to funding to cover the non-discounted portion of **its** funding requests. It is clear that the district **has** funding to cover its **share** of funding requested in your **modified** Item **25** worksheet. However, while **program** rules allow for the cancellation of the district's Form **471** # **253311**, they do **not** allow for Item **25** modifications based on **this** cancellation. Consequently, the district was responsible for verifying that it **had** secured funding for the originally requested amount of **\$697,120.79**. Your faxed response to the SLD failed to address this issue. On appeal you have acknowledged that funding was denied because **the** district failed to respond to **the** SLD's request for budget information. However, while **you** specifically address **financial** resources for **Hardware**, Professional Development, **Software**, Retrofitting, and Maintenance in their letter of appeal, you have not addressed the budget itself, or your **failure** to provide **this** information to the SLD whm requested. You have included a copy of the district's financial overview for Funding **Year 4**, as well as the districts **2001-2002** budget reports with your letter of appeal. However, as **this** information was not made available to the SLD when requested during Item **25** review, program rules do not allow **the** SLD to use **this** documentation on appeal. You have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests **as** required by program **rules**. During Item **25** review you have provided documentation that **has** been modified **from** the original requests, which is not allowed per program rules. **You** then failed to address this issue when contacted by the SLD. On appeal you have **again** submitted **this** **Item 25** worksheet. It **is** clear that you have **failed** to verify that the district **had** secured access to funding to **cover** the non-discounted portion of its original funding requests before filing the Form **471** applications in Funding Year **2001**. Consequently, **the** appeal is denied.

If you believe there **is** a basis for further examination of your application, you may file **an** appeal with the Federal Communications Commission (FCC) via United **States** Postal Service: **FCC**, Office of the **Secretary**, 445-12th **Street SW**, Washington, DC 20554. If you are submitting your appeal to the FCC by other **than** United States Postal Service, check the SLD web site for more information. Please reference CC Docket **Nos. 96-45** and 97-21 on **the** first page of **your** appeal. The **FCC** must **RECEIVE** your appeal **WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER** for your appeal to be filed in a timely **fashion**. Further information and new options for **filing an** appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area **of the** SLD web site, www.sl.universalservice.org.

We thank **you** for **your** continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2001-2002

January 22, 2003

Jon Hitchen
Lucia Mar Unified School District
602 Orchard St.
Arroyo Grande, CA 93420

Re: Billed Entity Number: 143955
471 Application Number: 253047
Funding Request Number(s): 623971
Your Correspondence Dated: January 31, 2002

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year Four Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 623971
Decision on Appeal: Denied in full
Explanation:

- In your letter of appeal you acknowledge that the district has been denied funding for failing to provide the requested budget information and state that you have responded to all SLD requests. You have stated that you have had extensive contact with SLD staff and have responded to all requests for information. You further state that you have provided the requested budget information in your Item 25 response and follow up documentation. You have also had extensive contact with 7 SLD staff members. The letter of appeal addresses your ability to pay the non-discounted charges. Financial resources are described for the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. You have included extensive support documentation with your appeal, which includes a financial overview, 2001-2002 budget report, contact list, Item 25 review, and additional Item 25 information dated 5/16/2001.

- Upon review of the appeal it was determined that you have failed to verify that the district has **secured** access to funding to cover the nondiscounted portion of **your** funding requests. **You** had **originally** filed 5 **Form** 471 applications in Funding Year 2001. The non-discounted portion of these applications was \$697,120.79. During Item 25 review you **requested** the cancellation of application # 253311 and **modified** your Item 25 worksheet to reflect your share of nondiscounted funding as \$150,840.19. You were subsequently contacted by **fax** on 5/03/2001 and asked to provide additional documentation. Included in this request was notification that Item 25 review is based on the original funding **requests**, and therefore, the district must verify that they had **secured** funding in the **amount** of \$697,120.79. **Your** faxed response of **5/16/2001** (included with appeal) failed to **address** the budget issues. The district was subsequently denied funding for all but basic telecommunications **services**, which were **funded**. During Item **25** review the SLD identified **line** items totaling \$309,678.00, which would be applied to your non-discounted share of E-Rate **funding**. The district's non-discounted share **for** the originally requested funding is \$697,120.79. You could only verify that the district had **secured** funding for **its** funding requests with the cancellation **of** application # 253311. **The** correspondence requesting this cancellation stated that anticipated State funding **was** unavailable and that funding for E-Rate projects would have to be reallocated to other projects. **This** validates the SLD's position that the district **had** failed to secure access to funding to cover the non-discounted portion of its funding requests. It is clear that the district **has** funding to cover its **share** of funding requested in **your** modified Item 25 worksheet. However, while program rules allow **for** the cancellation of the district's **Form** 471 # 253311, **they** do not allow for Item 25 modifications based on this cancellation. Consequently, the district was **responsible** for verifying that it had secured funding for the originally requested **amount** of \$697,120.79. Your faxed **response** to the SLD failed to address this issue. On appeal you have acknowledged that funding **was** denied because **the** district failed to respond to the **SLD's** request for budget information. However, while **you** specifically **address** financial resources for 'Hardware, Professional Development, Software, Retrofitting, and Maintenance in their letter of appeal, you have **not** addressed the budget itself, **or** your failure to provide this information **to** the SLD when requested. You have included a copy of **the** district's financial overview for Funding Year 4, **as** well **as** the districts 2001-2002 budget reports with your letter of appeal. However, **as** this information **was** not made available to the SLD **when** requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal. You have failed to verify that the district had **secured** access to funding to cover the non-discounted portion of its original funding requests **as** required by program **rules**. During Item 25 review you have provided documentation that has been modified from the original **requests**, which is not allowed per program **rules**. **You** then failed to address this issue **when** contacted by the SLD. **On** appeal you have **again** submitted this Item 25 **worksheet**. It is clear that you have failed to verify that the district had **secured** access to funding to cover the non-discounted portion of its original funding **requests** before filing the **Form** 471 applications in **Funding** Year 2001. Consequently, the appeal is denied.

If you believe **there is** a basis for further examination of your application, **you may** file an appeal **with** the Federal Communications **Commission (FCC)** via United States Postal Service: **FCC, Office of the Secretary, 445-12th Street SW, Washington, DC 20554.** If you are submitting your appeal to the **FCC by other** than United States Postal Service, check the SLD web site for more information. Please reference CC Docket **Nos. 96-45** and 97-21 on the first page of your appeal. **The FCC must RECEIVE your appeal WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER** for your appeal to be **filed** in a timely fashion. Further information and new options for filing an appeal **directly** with the **FCC** can be found in the "Appeals Procedure" posted in the Reference **Area** of the **SLD** web site, www.sl.univmalservice.org.

We thank **you** for **your** continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2001-2002

January 22, 2003

Jon Hitchen
Lucia Mar Unified School District
602 Orchard St.
Arroyo Grande, CA 93420

Re: Billed Entity Number: **143955**
 471 Application Number **249712**
 Funding Request Number(s): **610674,610697,610710,610728,610771**
 Your Correspondence Dated: **January 31, 2002**

After thorough review and investigation of all relevant facts, **the** Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year **Four** Funding Commitment Decision for the Application Number indicated above. **This** letter explains the basis of SLD's **decision**. The date of **this** letter begins the **60-day** time period **for** appealing **this** decision to the Federal Communications Commission ("FCC"). If **your** letter of appeal included **more** than one Application Number, please note that for each application **for** which **an** appeal is submitted, a separate letter is sent.

Funding Request Number: **610697,610710**
Decision on Appeal: **Dismissed**
Explanation:

- In **your** letter of appeal **you** acknowledge that the district **has** been denied funding for failing to provide the requested budget information and state that you have responded to all SLD requests. You have stated that **you** have had extensive contact with SLD **staff** and have responded to all requests **for** information. **You** further state that you have provided the requested budget information in your Item 25 response and follow up documentation. **You** have **also** had extensive contact with 7 SLD staff members. The letter of appeal addresses your ability to pay **the** non-discounted charges. Financial resources are described for the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. You have included extensive support documentation with your appeal, which includes a financial overview, **2001-2002** budget report, contact list, Item **25** review, and additional Item **25** information dated **5/16/2001**.

- Upon review of the appeal it was determined that these funding requests have been approved **as** submitted during initial review. **As** your Funding Commitment Decision Letter indicates they have been approved for full funding, they have **not** been reviewed on appeal.

Funding Request Number: 610674,610728,610771
Decision **on** Appeal: **Denied in full**
Explanation:

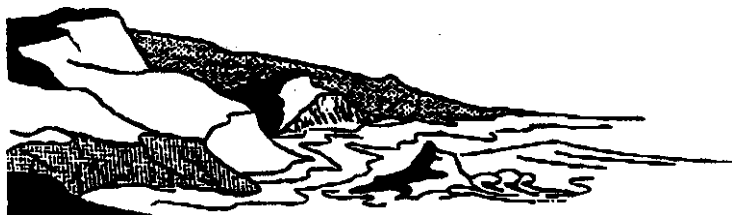
- In **your** letter of appeal **you** acknowledge **that** the district has been denied funding for failing to provide the requested budget information and state that **you** have responded to all SLD requests. **You** have stated that you have had extensive contact with SLD **staff** and have responded to all requests for information. **You** further state that you have provided **the** requested budget information in your Item 25 **response**, and follow up documentation. **You** have **also** had extensive contact with 7 SLD staff members. The letter of appeal addresses your ability **to** pay the non-discounted charges. Financial resources are **described for** the following categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. **You** have included **extensive** support documentation with your appeal, which includes a financial overview, 2001-2002 budget report, contact list, Item 25 review, and additional Item 25 information dated 5/16/2001.
- Upon **review** of the appeal it was determined that you have failed to verify that the district has **secured** access to funding to cover the non-discounted portion **of** your funding requests. **You** had originally filed 5 Form 471 applications in Funding Year 2001. **The** non-discounted portion of these applications was \$697,120.79. During Item 25 review you requested the cancellation of application # 253311 and modified your Item 25 worksheet to reflect your share of non-discounted funding **as** 5150,840.19. **You** were subsequently contacted by fax **on** 5/03/2001 and **asked** to provide additional documentation. Included in **this** request was notification that Item 25 review is based on the original funding requests, and therefore, the district **must** verify that they had secured funding in the amount of \$697,120.79. Your faxed response **of** 5/16/2001 (included with appeal) failed to address the budget issues. The district **was** subsequently denied funding for all but basic telecommunications services, which were funded. During Item 25 review the SLD identified line items totaling \$309,678.00, which would be applied **to your** non-discounted share of E-Rate funding. The district's non-discounted share for the originally requested funding is \$697,120.79. **You** could only verify **that** the district had secured funding for its funding requests with the cancellation of application # 253311. The correspondence **requesting** this cancellation stated that anticipated State funding was unavailable and that funding for E-Rate projects would have to be reallocated to **other** projects. **This** validates the **SLD's** position that **the** district had failed to secure access to funding to

cover the non-discounted portion of its funding requests. It is clear that the district has funding to cover its share of funding requested in your modified Item 25 worksheet. However, while program rules allow for the cancellation of the district's Form 471 # 253311, they do not allow for Item 25 modifications based on this cancellation. Consequently, the district was responsible for verifying that it had secured funding for the originally requested amount of \$697,120.79. Your faxed response to the SLD failed to address this issue. On appeal you have acknowledged that funding was denied because the district failed to respond to the SLDs request for budget information. However, while you specifically address financial resources for Hardware, Professional Development, Software, Retrofitting, and Maintenance in their letter of appeal, you have not addressed the budget itself, or your failure to provide this information to the SLD when requested. You have included a copy of the district's financial overview for Funding Year 4, as well as the districts 2001-2002 budget reports with your letter of appeal. However, as this information was not made available to the SLD when requested during Item 25 review, program rules do not allow the SLD to use this documentation on appeal. You have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests as required by program rules. During Item 25 review you have provided documentation that has been modified from the original requests, which is not allowed per program rules. You then failed to address this issue when contacted by the SLD. On appeal you have again submitted this Item 25 worksheet. It is clear that you have failed to verify that the district had secured access to funding to cover the non-discounted portion of its original funding requests before filing the Form 471 applications in Funding Year 2001. Consequently, the appeal is denied.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC) via United States Postal Service: FCC, Office of the Secretary, 445-12th Street SW, Washington, DC 20554. If you are submitting your appeal to the FCC by other than United States Postal Service, check the SLD web site for more information. Please reference CC Docket Nos. 96-45 and 97-21 on the first page of your appeal. The FCC must RECEIVE your appeal WITHIN 60 DAYS OF THE ABOVE DATE ON THIS LETTER for your appeal to be filed in a timely fashion. Further information and new options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site, www.sl.universalservice.org.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

*Lucia Mar Unified School District*

602 ORCHARD ST., ARROYO GRANDE, CA 93420
(805) 473-4390 FAX (805) 473-4397

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PISMO BEACH

January 31, 2002

Schools and Libraries Division, USAC
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

Dear Sir or Madam:

This letter is an appeal of the SLD decision letter dated December 14, 2001, which rejected the Form 417 Applications of the Lucia Mar Unified School District, Billed Entity Number 143955. The USAC decision letter of 12-14-01 applied to Form 471 Applications numbered 249712, 252218, 252798, and 253047 for Funding Year 2001-2002. The contact person for the Lucia Mar Unified School District is:

Jon Hitchen, Technology Coordinator
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According to the USAC letter dated 12/14/01, our applications were rejected based on the following: "Since you did not respond to our repeated requests for further information, we were unable to determine that you secured access to the resources outlined below." "Budget: You did not demonstrate that you have the financial resources on hand to pay for the non-discounted charges on your application, as well as the rest of the items that you outlined in your technology budget"

As documented in the attached appendix, we have had extensive conversations with SLD staff, and have responded to all requests for information. With regard to our budget, we submitted an Item 25 Certification and follow-up documentation requested by Mr. Michael Duesinger (see Appendix). We have also had extensive email and telephone contact with seven SLD staff members (see Appendix for names and dates).

This letter of appeal addresses the adequacy of financial resources of the Lucia Mar Unified School District to pay for non-discounted charges. Financial resources are described for each of the five categories: Hardware, Professional Development, Software, Retrofitting, and Maintenance. A financial overview of all five categories is also included.

Hardware

The District has allocated a minimum of \$365,000 for 2001-2002 to purchase hardware in

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accordance with the District Technology Plan. District block grant allocations from restricted General Funds monies have been made to **wire** schools and purchase computers. After wiring school sites, the remainder of the District block grant allocations will be used for **hardware**. A Technical Services **fund** for equipment replacement of **\$76,000** is being used to replace obsolete hardware. This year, \$80,050 of API performance reward **funds** from the State of California were used **by** school sites for hardware purchases. The California Digital High School grant funding is providing well over \$300,000 for hardware at Arroyo Grande High School, the District's comprehensive high school, including **\$75,000** which was spent last year (see Appendix). Lopez Continuation High School **also** received a Digital High School award of \$49,530 ~~last~~ year for hardware acquisition. **Other** school site **funds** may also be used to fund hardware purchases. Based on last year's hardware purchases District-wide, the **District** has estimated that \$400,000 will be spent **this year** on hardware, and has an open purchase order with Dell for this amount.

A 21st Century Community Learning Center grant **has** provided **\$60,000** for computers, including 33 computers at Oceano Elementary, the site for which the District **has** applied for Internal Connections funding.

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In accordance with the District Technology Plan, LMUSD staff participated in **270** days of State Supported Staff Development (SSSD) Day technology training. For 2001-2002, it is estimated that staff will participate in 300 days of **SSSD**, at a total cost to the State of California of approximately **\$66,660** (see Appendix). In excess of \$50,000 has **been set** aside by the District Professional Assistance and Review Committee to pay technology instructors on SSSD Days. The District **has** funded a full time education technology coordinator at a cost of \$64,000. The Digital High School grant is **funding an** additional **75** days of staff development at a total cost of **\$5,600**.

Retrofitting

This past year (2001-2002), LMUSD **has** wired six schools for classroom connectivity, telephone, and data. This has been done through internal **labor** and outside contracting. **Nine** schools in the district now have connections in virtually every classroom. We are continuing to connect the others. The funding for **this** has come **from** three sources: California State Modernization funds, District block grant allocations from restricted General Funds monies, and California Digital High School grant **funds**. California State Modernization funding **exceeds** \$13,000,000 (see appendix). A District block grant allocation of \$434,380 **has** been designated for technology improvements, \$291,500 of which remains to be spent this year. The District also allocated \$250,000 from the General Fund for phone and **wiring** connectivity (see Appendix). Together, these two funds have **been used** to wire five schools. Arroyo Grande High School, our single comprehensive **high** school, has used State Modernization funds and \$400,000 from its California Digital High School **grant** to wire its **campus**. Also, **\$66,100** in California API award monies were designated by school sites for wiring upgrades.

Oceano Elementary, the school which applied for E-Rate Internal Connections funding, has \$50,000 to cover its Applicant Share from the District block grant allocation (see Appendix). Ineligible expenses, such **as** electrical wiring, will be funded by State Modernization and District block grant **funds**.

*Page 3 - Lucia Mar USD Letter of Appeal*Software

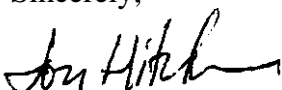
A Novell district-wide license (**\$21,000**) is paid for **from** Technical Services funds. AERIES student records software (**\$6,500**) and QSS accounting software (**\$24,200**) **are** paid for by District **funds**. Computer operating system (Windows) and Microsoft Office licenses **are** paid for **as part of** the equipment purchase **through** Dell's state license agreement. Digital High **School** purchased 600 **seat** licenses of Microsoft Office at a cost of **\$18,000**. The 21st Century **Community** Learning Centers program spent approximately **\$8,000** on licensing and support for an attendance database **this year**. In addition, **\$14,000** of school site **API** award funds have been designated for software **this year**. School sites purchase additional **software** out of their **discretionary** funds.

Maintenance

Technical Services **has 13** staff at a total cost of **\$697,590**, with an additional staff hire planned for July, 2002 (see Appendix). These **staff maintain** computers for the District's students, teachers and **support staff**, **as well as maintaining the** central **office network operating center**. The follow-up **to** the California Digital **High School** grant, the Technology Support and Staff Training **grant**, will be **used** for additional maintenance **costs** at Arroyo Grande High School. The District's HP Mainframe has a yearly maintenance agreement of **\$17,225** **funded** through the Technical Services budget.

We ~~trust~~ that this information demonstrates that the Lucia Mar **Unified School** District **has** the financial resources to pay for non-discounted charges on our ERate application. Please contact Jon Hitchen at **(805) 473-4390 x.389** or jhitchen@luciamar.k12.ca.us **if you** have further questions.

Sincerely,



Jon Hitchen
Technology **Coordinator**



Scott Knuckles
Director, **Technical** Services

Enclosures